

Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 EUR-12 EA-07 ISO-00 MMO-01 AID-05

CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 USIA-06

TRSE-00 XMB-02 OPIC-03 SP-02 LAB-04 EPG-02 SIL-01

OMB-01 L-03 DODE-00 PA-01 PRS-01 AGR-05 /080 W

-----012200Z 027448 /62

R 012037Z JUN 77

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 2482

INFO AMEMBASSY BELGRADE

USMISSION USBERLIN

AMEMBASSY BUCHAREST

USLO PEKING

AMEMBASSY PRAGUE

ALL USCONS MEXICO BY POUCH

C O N F I D E N T I A L MEXICO 08690

E. O. 11652: GDS

TAGS: PFOR, EINV, ETRA, MX, GE, CZ, RO, YO, CH

SUBJECT: CERP-0002 UPDATE #3 - COMMUNIST ECONOMIC

ACTIVITY IN MEXICO

BEGIN UNCLASSIFIED

1. THE MONTH OF MAY REFLECTED AN UNUSUAL AMOUNT OF COMMUNIST NATIONS' ECONOMIC ACTIVITIES IN MEXICO, MOST INTERESTING OF WHICH IS AN AGREEMENT FOR A JOINT INVESTMENT BETWEEN MEXICO AND THE GDR.

2. THE MEXICAN PRESS OF MAY 24 ANNOUNCED AN AGREEMENT BETWEEN THE GDR COMPANY KARL ZEIS JENA AND MEXICO'S NATIONAL DEVELOPMENT BANK (NAFinsa) FOR THE PRODUCTION OF PRECISION INSTRUMENTS. FINANCIAL DETAILS OF THE ACCORD WERE NOT ANNOUNCED, BUT GDR AMBASSADOR GERARD KORTH TOLD REPORTERS THAT THE AGREEMENT IS THE FIRST SUCH INSTANCE

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OF GDR JOINT INVESTMENT IN A FOREIGN COUNTRY. HE ADDED, "IT IS NOT JUST CHANCE (THAT MEXICO IS THE FIRST COUNTRY IN WHICH WE WILL MAKE SUCH AN INVESTMENT) SINCE THE CONDITIONS HERE ARE SO FAVORABLE FOR THIS TYPE OF VENTURE." KORTH ALSO ANNOUNCED THAT THE GDR HAS PROVIDED \$20 MILLION (US) CREDIT TO NAFinsa FOR THE EXPANSION OF MEXICO'S ALTOS HORNOS (STEEL) AND CIUDAD SAHAGUN (MIXED GOVERNMENT/

PRIVATE INDUSTRIAL COMPLEX). THE TERMS OF THE CREDIT ARE NOT KNOWN.

3. ON THE SAME DAY FRANC RAZDEWESK OF THE YUGOSLAV COMPANY SLOVENIJALES, IN MEXICO FOR NEGOTIATIONS, ANNOUNCED THAT MEXICO AND YUGOSLAVIA WILL JOINTLY INVEST IN A FURNITURE FACTORY IN CHIAPAS STATE COMBINING THE TROPICAL WOODS AVAILABLE IN THAT AREA WITH YUGOSLAV TECHNOLOGY. NO FINANCIAL DATA WAS ANNOUNCED.

4. THE ROMANIAN MINISTRY OF AGRICULTURE, MEANWHILE HAS AUTHORIZED AN AGREEMENT WITH THE STATE GOVERNMENT OF AGUASCALIENTES TO PROVIDE TECHNICAL ASSISTANCE FOR THAT STATE'S GRAPE INDUSTRY. THE AGREEMENT ONLY NEEDS THE APPROVAL OF THE GOM, THE ROMANIAN AMBASSADOR TOLD THE PRESS ON MAY 18.

5. CZECHOSLOVAKIA AND MEXICO REPORTEDLY HAVE SIGNED AN AGREEMENT FOR CZECH PURCHASE OF MEXICAN TOBACCO. THE AGREEMENT CALLS FOR SALES OF 900,000 TONS OF MEXICAN TOBACCO, OVER A FIVE YEAR PERIOD, TOTALING APPROXIMATELY \$1.5 MILLION (US).

6. FINALLY, ON MAY 14, MEXICO MADE ITS FIRST SHIPMENT OF COTTON (6,539 BALES) TO THE PRC FOR PROCESSING IN CHINA. THE CHINESE AMBASSADOR TO MEXICO WITNESSED THE SHIP'S DEPARTURE FROM ENSENADA. END UNCLASSIFIED.

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EMBASSY COMMENT: THESE REPORTS SHOW THAT THE GOM, WHILE CONCENTRATING ON ITS ECONOMIC RELATIONS WITH THE US, HAS NOT FORGOTTEN ITS NEWLY-DEVELOPED ECONOMIC TIES WITH OTHER PARTS OF THE WORLD. WITH US-MEXICAN CONSULTATIONS WELL ON TRACK, THE GOM IS RE-FOCUSSING SOME OF ITS BUREAUCRATIC ENERGIES ON PROJECTS, AGREEMENTS, AND RELATIONSHIPS BEGUN IN THE ECHEVERRIA YEARS. THE SERIOUSNESS WITH WHICH THE GOM WILL ACTIVELY PURSUE THESE RELATIONSHIPS REMAINS TO BE SEEN. THOMPSON

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Message Attributes

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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
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Line Count: 107
Litigation Code IDs:
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